

New Hampshire Department of Education
Division of Education Analytics and Resources
Office of School Finance

Two Options Available For School Districts When State Adequacy Increases After School Budgets Are Finalized		
FAQ	Option 1	Option 2
	Call A Special Meeting For Change In Education Funding Under RSA 197:3-a	Apply The Revenue As A Credit During Local Tax Rate Setting Process
What Is The Purpose Or Outcome Of This Option?	Allows School Districts to appropriate and spend the increased State funding, if approved by voters.	As a default outcome, not pursuing RSA 197:3-a will automatically reduce the tax assessment for the upcoming tax year.
Which School Districts Can Use This Option?	Any school district can use this option.	Any school district can use this option. In fact, this is the default option if no action is taken by the school district.
What Is The Process A School District Needs To Follow?	The exact details of the process are outlined in RSA 197:3-a. Unlike the normal special meeting process under RSA 197:3, school districts <u>do not</u> have to either achieve at least 50 percent voter turnout or petition the superior court to appropriate and spend these funds.	No specific process is necessary, school districts will end up reporting the increased State revenue on the DOE-25. An increase in State revenue not being spent or retained will by default be assigned towards tax assessment to reduce the assessment amount.
Timing Consideration	The tax rate setting process starts in the Fall of 2021. Therefore, districts need to use RSA 197:3-a before tax rates are set, otherwise Option 2 will be selected by default.	
Any Other Considerations A School District Should Know When Implementing An Option?	School districts that meet using the official ballot form of town meeting under RSA 40:13 ("SB2") the Board may elect to deliberate and vote on the same day ("traditional meeting") in accordance to RSA 197:3-a, I.	Applying a large increase in State revenue against the tax assessment, may create a temporary decrease in the tax rate which could be followed by a "spike" in the tax rate. This may require additional voter education efforts to ensure a potential "spike" is not a surprise. Keep in mind, a change in State revenue is only one factor among many that may need consideration in managing a tax rate.
Disclaimer: School Districts Should Seek Legal Counsel When Determining Their Statutory Authority Or Following A Statutorily Defined Process. This document is a basic explanation of options and considerations and is in no way intended to be exhaustive or comprehensive.		

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197:3-a Special Meeting for Change in Education Funding. –

In response to statutory changes resulting in reductions or increases in distribution of state revenues for education pursuant to RSA 198:41 to school districts which would take effect after the adoption of a new school district budget and would apply in the fiscal year covered by the new budget, the governing body of a school district may, after consultation with the budget committee, call a special meeting of the legislative body to consider a reduction, rescission, or increase of appropriations made at an annual meeting, subject to the following:

- I. The governing body of a school district that has adopted the official ballot referendum form of meeting under RSA 40:13 may elect to hold and conduct the meeting in accordance with the provisions of this section in a single session for deliberating and voting, and without regard to the provisions of RSA 40:13.
- II. A special meeting under this section shall not be petitioned under RSA 197:2, and no petitioned warrant articles shall be inserted in the warrant.
- III. The governing body's warrant shall specify, in one or more articles, the amounts of appropriations proposed for reduction, rescission, or increase from the operating budget or separate warrant articles, or both, adopted at the annual meeting.
- IV. The governing body shall hold a public hearing on the proposed reductions, rescissions, or increase at least 14 days prior to the meeting. Notice of the time, place, and subject of such hearing shall be posted in at least 2 public places within the school district, one of which shall be on the school district's website, if such exists, at least 7 days prior to the hearing.
- V. The governing body of such school district shall post a notice of the meeting, which shall include the warrant, in at least 2 public places within the school district, one of which shall be on the school district's website, if such exists, at least 7 days prior to the meeting. Additional notice shall be published in a newspaper of local or regional circulation in the school district, provided that if there is no newspaper of local or regional circulation in which notice can be published at least 7 days before the date of the meeting, public notice shall be posted in at least one additional place within the school district.
- VI. The meeting shall be conducted in accordance with the provisions of this section. The most recently updated checklist shall be used.
- VII. The legislative body may approve or disapprove any proposed reduction, rescission, or increase of appropriations, or may approve lesser reductions. The legislative body shall not approve greater reductions than what is in the warrant, or reduce or rescind an appropriation not specified in the warrant, or act on any other business at the meeting.
- VIII. Except as provided in this section, the provisions of the following chapters, as they apply to special meetings of the legislative body of a school district, shall not be required for special meetings held pursuant to this paragraph: RSA 32, RSA 39, RSA 49-D, RSA 197, RSA 654, RSA 669, RSA 670, and RSA 671.

Source. 2013, 197:1, eff. Sept. 7, 2013.